

Rachel Maclean MP
Minister for Housing and Planning
Department for Levelling Up, Housing and Communities
2 Marsham Street
London
SW1P 4DF

5 April 2023

Dear Minister,

On behalf of the National Federation of ALMOs (NFA), congratulations on your appointment as Minister for Housing and Planning. As the national body representing arms-length management organisations (ALMOs), we look forward to working constructively with you.

The NFA represents ALMOs across England, which collectively manage around 300,000 council homes. ALMOs were first established around twenty years ago to improve housing services to council tenants, deliver the Decent Homes Programme and put the focus back onto core day-to-day housing management.

We would welcome an opportunity for an introductory meeting with you to discuss the work the NFA does and how our members are committed to providing excellent housing management and maintenance services on behalf of their parent councils. The entire ethos of ALMOs is that they put tenants at the heart of their governance as well as ensuring a continued supply of decent, safe and affordable social rented housing for those who need it.

Such a meeting would provide an opportunity to discuss recently published research conducted by Savills, which was commissioned by the Local Government Association, the NFA and the Association of Retained Council Housing.

This research has found that the combined impact of rising prices, new regulation and four years of enforced rent cuts that ended only in 2020, plus this year's rent cap, have stretched the Housing Revenue Account to the limit. It means that much needed energy efficiency work to existing homes and building new homes for those stuck on council waiting lists will be impacted as local authorities and their ALMOs struggle to cover the essentials of building safety work and day to day repairs.

The research shows that:

- Local authorities will need to increase their level of borrowing to maintain the current levels of investment in their housing stock if there is no increased funding from central government.
- To achieve building safety standards for tall buildings and those housing vulnerable residents, the council housing sector will need to spend **£7.7 billion**, including £1.8 billion to address cladding.

- **£3.5 billion** will be needed to ensure all council homes achieve an EPC rating of at least a C by 2030, and this will need to be financed through additional local authority borrowing if more funding is not made available by central government.

Please find a summary briefing outlining the key findings of the research attached.

We would be grateful if your office could liaise with William Ward by emailing nfa@publicaffairscs.co.uk or by ringing 0113 278 0211 to organise a suitable time for a meeting, either in Westminster or virtually.

We look forward to hearing from you.

Yours sincerely,

Chloe Fletcher
Policy Director
National Federation of ALMOs